

**Appendix 3**  
**Sample Cost Apportionment Table**

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USOA PART 32 ACCT.	COST POOLS	BASIS FOR APPORTIONMENT TO COST POOLS	BASIS FOR APPORTIONMENT TO REGULATED/NONREGULATED	COST DEFINITION	COMMENTS
6112 Motor Vehicle Expense	Directly Assigned Regulated	NA	NA	Directly Assignable	BellSouth has no motor vehicles directly assigned to regulated.
	Directly Assigned Nonregulated	NA	NA	Directly Assignable	BellSouth has no motor vehicles directly assigned to nonregulated.
	Common	Cost pool equals account	Relative investment value in the Network Operations, Customer Operations and Corporate Operations cost pools in Account 2112	Indirectly Attributable	The cost pools in this account include the balance in the account after the appropriate clearance to the plant construction and plant specific expense accounts.
6113 Aircraft Expense	Specific	Identified from functional accounting codes	Executive salary and wage expenses	Indirectly Attributable	
	General Use	Identified from functional accounting Codes	Salary and Wage Expenses of Customer, Corporate (excluding Account 6711), and Plant Nonspecific	Indirectly Attributable	
6114 Tools and Other Work Equipment Expense	Same as Account	Cost Pool Equals Account	Follows the apportionment basis for Account 2114.	Indirectly Attributable	

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6121 Land and Building Expense	Directly Assigned Regulated	Based on actual detailed floor space assignments representing specific business functions	Directly assigned to regulated	Directly Assignable	
	Directly Assigned Nonregulated	NA	NA	Directly Assignable	BellSouth has no land and buildings expense directly assigned to nonregulated.
	Operating Rents - Central Office	Based on actual detailed floor space assignments representing specific business functions	Relative investment value in Accounts 2211- 2232	Directly Attributable	
	Operating Rents - Distribution Services	Based on actual detailed floor space assignments representing specific business functions	Current year salaries and wages in Accounts 2311 - 2441 and 6310 - 6441	Directly Attributable	
	Operating Rents - Network Operations - General Office Space	Based on actual detailed floor space assignments representing specific business functions	Current year salaries and wages in Accounts 6110 - 6124 and 6510 - 6535, excluding 6121 and 6124	Directly Attributable	
	Operating Rents - Network Operations - Data Center	Based on actual detailed floor space assignments representing specific business functions	Current year salaries and wages in Account 6124	Directly Attributable	
	Operating Rents - Customer Operations - General Office Space	Based on actual detailed floor space assignments representing specific business functions	Current year salaries and wages in Accounts 6610 - 6613 and 6623	Directly Attributable	

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6121 Land and Building Expense (Cont)	Operating Rents - Customer Operations - Telephone Operator	Based on actual detailed floor space assignments representing specific business functions	Current year salaries and wages in Accounts 6621 and 6622	Directly Attributable	
	Operating Rents - Corporate Operations	Based on actual detailed floor space assignments representing specific business functions	Current year salaries and wages in Accounts 6710 - 6728	Directly Attributable	
	Operating Rents - Warehouse	Based on actual detailed floor space assignments representing specific business functions	Relative investment value in Account 1220.1	Directly Attributable	
	Other Common Expense - Central Office	Based on actual detailed floor space assignments representing specific business functions	Relative investment value in Accounts 2211 - 2232	Indirectly Attributable	
	Other Common Expense - Distribution Services	Based on actual detailed floor space assignments representing specific business functions	Current year salaries and wages in Accounts 2311 - 2441 and 6310 - 6441	Indirectly Attributable	
	Other Common Expense - Network Operations - General Office Space	Based on actual detailed floor space assignments representing specific business functions	Current year salaries and wages in Accounts 6110 - 6124 and 6510 - 6535, excluding 6121 and 6124	Indirectly Attributable	
	Other Common Expense - Network Operations - Data Center	Based on actual detailed floor space assignments representing specific business functions	Current year salaries and wages in Account 6124	Indirectly Attributable	
	Other Common Expense - Customer Operations - General Office Space	Based on actual detailed floor space assignments representing specific business functions	Current year salaries and wages in Accounts 6610 - 6613 and 6623	Indirectly Attributable	

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6121 Land and Building Expense (Cont)	Other Common Expense - Customer Operations - Telephone Operator	Based on actual detailed floor space assignments representing specific business functions	Current year salaries and wages in Accounts 6621 and 6622	Indirectly Attributable	
	Other Common Expense - Corporate Operations	Based on actual detailed floor space assignments representing specific business functions	Current year salaries and wages in Accounts 6710 - 6728	Indirectly Attributable	
	Other Common Expense - Warehouse	Based on actual detailed floor space assignments representing specific business functions	Relative investment value in Account 1220.1	Indirectly Attributable	
6122 Furniture and Artworks Expense	Same as Account	Cost Pool Equals Account	Relative investment value (Account 2122)	Indirectly Attributable	
6123 Office Equipment Expense	Office Support	Identified from subsidiary record categories	Relative investment value (Account 2123 excluding Corporate Communications Equipment)	Indirectly Attributable	
	Corporate Communications	Identified from subsidiary record categories	Relative investment value (Account 2123) Corporate Communications	Indirectly Attributable	
6124 General Purpose Computers Expense	Same as Account	Cost Pool Equals Account	Customer, corporate, and plant nonspecific salary and wage expense	Indirectly Attributable	

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USOA PART 32 ACCT.	COST POOLS	BASIS FOR APPORTIONMENT TO COST POOLS	BASIS FOR APPORTIONMENT TO REGULATED/NONREGULATED	COST DEFINITION	COMMENTS
6211 Non-Digital Switching Expense	Common Use Equipment - Repair and Maintenance	Ratio of common use analog switching investment to total analog switching investment	Ratio of basic calls and of enhanced calls to total calls	Indirectly Attributable	
	Dedicated Use Equipment - Repair and Maintenance	Ratio of dedicated use analog switching investment to total analog switching investment	Ratio of dedicated regulated and of dedicated nonregulated analog switching investment to total dedicated analog switching investment	Indirectly Attributable	Ratios for apportionment to regulated/ nonregulated are based on actual assignments of investment in dedicated use equipment to regulated and non- regulated activities.
	BellSouth Technology Assessment Center Service	Ratio of common use BellSouth Technology Assessment Center Services investment to total 2211 investment	Actual number of working equivalent DSOs	Indirectly Attributable	
6212 Digital Electronic Expense	Direct Regulated	Identified from billing system details	Directly assigned to regulated	Directly Assignable	
	Direct Nonregulated	Identified from billing system details	Directly assigned to nonregulated	Directly Assignable	
	Packet Switching Common - Repair and Maintenance	Ratio of common packet switching investment to total digital switch investment	Ratio of regulated and of nonregulated packets switched to total packets switched	Indirectly Attributable	
	Information Storage, Forward and Retrieval Repair and Maintenance	Ratio of information storage, forward and retrieval basis switching investment to total digital switch investment	Ratio of regulated and nonregulated connect time to total connect time	Indirectly Attributable	
	Other Common Use Equipment - Repair and Maintenance	Ratio of common digital switching investment, excluding packet switching and information storage, forward, and retrieval to total digital switching investment	Ratio of basic calls and of enhanced calls to total calls	Indirectly Attributable	

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6212 Digital Electronic Expense (Cont)	Dedicated Use Equipment - Repair and Maintenance	Ratio of dedicated use digital switch investment to total digital switch investment	Ratio of dedicated regulated and of dedicated nonregulated investment to total dedicated digital switching investment	Indirectly Attributable	Ratios for apportionment to regulated/ nonregulated are based on actual assignments of investment in dedicated use equipment to regulated and non- regulated activities.
	BellSouth Technology Assessment Center Services	Ratio of common use BellSouth Technology Assessment Center Services investment to total 2212 investment	Actual number of working equivalent DSOs	Directly Attributable	
	Interworking Permanent Virtual Connections Expense	Ratio of common use interworking permanent virtual connections to total 2212 investment	Actual number of interworking permanent virtual connections converted	Directly Attributable	
6220 Operator Systems Expense	Direct Regulated	Identified from continuing property records and functional accounting codes	Directly assigned to regulated	Directly Assignable	
	Directory Assistance Expense	Ratio of common use Operator Services investment to the total investment	Ratio of number of reverse search calls and nonlocal directory assistance calls to total	Indirectly Attributable	
	BellSouth Technology Assessment Center Services	Ratio of common use BellSouth Technology Assessment Center Services investment to total 2220 investment	Actual number of working equivalent DSOs	Directly Attributable	
6231 Radio Systems Expense	Same as Account	Cost Pool Equals Account	Directly assigned to regulated	Directly Assignable	
6232 Circuit Equipment Expense	Direct Regulated	Identified from functional accounting codes	Directly assigned to regulated	Directly Assignable	

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6232 Circuit Equipment Expense (Cont)	Dedicated Use Digital Subscriber Pair Gain	Ratio of dedicated use digital subscriber pair gain investment to total digital subscriber pair gain investment	Ratio of dedicated regulated and of dedicated nonregulated digital subscriber pair gain investment to total dedicated subscriber pair gain investment	Indirectly Attributable	Ratios for apportionment to regulated/ nonregulated are based on actual assignments of investment in dedicated use equipment to regulated and nonregulated activities.
	Common Use Digital Subscriber Pair Gain	Ratio of common use digital subscriber pair gain investment to total digital subscriber pair gain investment	Ratio of telephony and Cable Service subscriber circuit counts to total served on non-metallic subscriber facilities	Indirectly Attributable	
	Dedicated Use Other Digital Circuit Equipment	Ratio of dedicated use other digital circuit equipment investment to total other digital circuit equipment investment	Ratio of dedicated regulated and of dedicated nonregulated other digital circuit equipment investment to total dedicated other digital circuit equipment investment	Indirectly Attributable	Ratios for apportionment to regulated/ nonregulated are based on actual assignments of investment in dedicated use equipment to regulated and nonregulated activities.
	Common Use Other Digital Circuit Equipment	Ratio of common use other digital circuit equipment investment to total other digital circuit equipment investment	Ratio of telephony and Cable Service subscriber circuit counts to total	Indirectly Attributable	
	BellSouth Technology Assessment Center Services	Ratio of common use BellSouth Technology Assessment Center Services investment to total 2232 investment	Actual number of working equivalent DSOs	Directly Attributable	
6311 Station Apparatus Expense	Directly Assigned Regulated	Identified from functional accounting codes	Directly assigned to regulated	Directly Assignable	
	Directly Assigned Nonregulated	Identified from functional accounting codes	Directly assigned to nonregulated	Directly Assignable	
	No Access/No Trouble Found	Identified from functional accounting codes	Assigned to regulated based on 75% of the ratio of regulated trouble counts cleared to total trouble counts cleared, with the residual assigned to nonregulated	Indirectly Attributable	
6341 Large Private Branch Exchange Expense	Directly Assigned Regulated	Identified from functional accounting codes	Directly assigned to regulated	Directly Assignable	
	Directly Assigned Nonregulated	Identified from functional accounting codes	Directly assigned to nonregulated	Directly Assignable	



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6341 Large Private Branch Exchange Expense (Cont)	No Access/No Trouble Found	Identified from functional accounting codes	Assigned to regulated based on 75% of the ratio of regulated trouble counts cleared to total trouble counts cleared, with the residual assigned to nonregulated	Indirectly Attributable	
6351 Public Telephone Terminal Equipment Expense	Same as Account	N/A	N/A	Directly Assignable	BST has no Public Telephone Terminal Equipment Expense.
6362 Other Terminal Equipment Expense	Directly Assigned Regulated	Identified from functional accounting codes	Directly assigned to regulated	Directly Assignable	
	Directly Assigned Nonregulated	Identified from functional accounting codes	Directly assigned to nonregulated	Directly Assignable	
	No Access/No Trouble Found	Identified from functional accounting codes	Assigned to regulated based on 75% of the ratio of regulated trouble counts cleared to total trouble counts cleared, with the residual assigned to nonregulated	Indirectly Attributable	
6411 Pole Expense	Same as Account	Cost Pool Equals Account	Follows aerial cable expense (Account 6421)	Indirectly Attributable	
6421 Aerial Cable Expense	Direct Regulated	Identified from functional accounting codes	Directly assigned to regulated	Directly Assignable	
	Direct Nonregulated	Identified from functional accounting codes	Directly assigned to nonregulated	Directly Assignable	
	Interoffice Fiber Facilities	Identified from functional accounting codes and ratio of interoffice aerial fiber to total aerial fiber	Ratio of telephony and Cable Service subscriber circuit counts to total	Directly Attributable	
	Subscriber Loop Fiber Facilities	Identified from functional accounting codes and ratio of subscriber loop aerial fiber to total aerial fiber	Ratio of telephony and Cable Service subscriber circuit counts to total served on non-metallic subscriber loops	Directly Attributable	

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6421 Aerial Cable Expense (cont)	Other Common Facilities	Identified from functional accounting codes and subsidiary accounting Records	Ratio of dedicated investment to common investment in Account 2421	Directly Attributable	
	BellSouth Technology Assessment Center Services	Ratio of common use BellSouth Technology Assessment Center Services investment to total 2421 investment	Actual number of working equivalent DSOs	Directly Attributable	
6422 Underground Cable Expense	Direct Regulated	Identified from functional accounting codes	Directly assigned to regulated	Directly Assignable	
	Direct Nonregulated	Identified from functional accounting codes	Directly assigned to nonregulated	Directly Assignable	
	Interoffice Fiber Facilities	Identified from functional accounting codes and ratio of interoffice underground fiber to total underground fiber	Ratio of telephony and Cable Service subscriber circuit counts to total	Directly Attributable	
	Subscriber Loop Fiber Facilities	Identified from functional accounting codes and ratio of subscriber loop Underground fiber to total Underground fiber	Ratio of telephony and Cable Service subscriber circuit counts to total served on non-metallic subscriber loops	Directly Attributable	
	Other Common Facilities	Identified from functional accounting codes and Subsidiary accounting Records	Ratio of dedicated investment to common investment in Account 2422	Directly Attributable	
6423 Buried Cable Expense	Direct Regulated	Identified from functional accounting codes	Directly assigned to regulated	Directly Assignable	
	Direct Nonregulated	Identified from functional accounting codes	Directly assigned to nonregulated	Directly Assignable	
	Interoffice Fiber Facilities	Identified from functional accounting codes and ratio of interoffice buried fiber to total buried fiber	Ratio of telephony and Cable Service subscriber circuit counts to total	Directly Attributable	
	Subscriber Loop Fiber Facilities	Identified from functional accounting codes and ratio of subscriber loop Buried fiber to total buried Fiber	Ratio of telephony and Cable Service subscriber circuit counts to total served on non-metallic subscriber loops	Directly Attributable	

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6423 Buried Cable Expense (Cont)	Other Common Facilities	Identified from functional accounting codes and subsidiary accounting records	Ratio of dedicated investment to common investment in Account 2423	Directly Attributable	
6424 Submarine Cable Expense	Direct Regulated	Identified from functional accounting codes	Directly assigned to regulated	Directly Assignable	
	Interoffice Fiber Facilities	Identified from functional accounting codes and ratio of interoffice submarine fiber to total submarine fiber	Ratio of telephony and Cable Service subscriber circuit counts to total	Directly Attributable	
	Subscriber Loop Fiber Facilities	Identified from functional accounting codes and ratio of subscriber loop Submarine fiber to total submarine Fiber	Ratio of telephony and Cable Service subscriber circuit counts to total served on non-metallic subscriber loops	Directly Attributable	
6426 Intrabuilding Network Cable Expense	Direct Regulated	Identified from functional accounting codes	Directly assigned to regulated	Directly Assignable	
	Direct Nonregulated	Identified from functional accounting codes	Directly assigned to nonregulated	Directly Assignable	
	Subscriber Loop Fiber Facilities	Identified from functional accounting codes	Ratio of telephony and Cable Service subscriber circuit counts to total served on non-metallic subscriber loops	Directly Attributable	
	Other Common Facilities	Identified from functional accounting codes and subsidiary accounting Records	Ratio of dedicated investment to common investment in Account 2426	Directly Attributable	
6431 Aerial Wire Expense					BST has no investment in aerial wire.
6441 Conduit Systems Expense	Same as Account	Cost Pool Equals Account	Follows underground cable expense (Account 6422)	Indirectly Attributable	